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**MAN SENTENCED TO 57 MONTHS FOR EMBEZZLING OVER \$1.3
MILLION FROM WHITE PLAINS-BASED EMPLOYEE BENEFIT PLAN**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that PHILLIP YUK FUN LIU was sentenced today in federal court in White Plains to 57 months' imprisonment as a result of his conviction on federal charges of embezzling approximately \$1,347,247.23 from the employee benefit plan of Guild Concepts, Ltd. ("Guild"), a marketing firm based in White Plains. United States District Judge COLLEEN MCMAHON, who sentenced LIU, also ordered him to pay restitution in that amount to the victims of the offense, more than 40 Guild employees.

According to a two-count criminal Information to which LIU pleaded guilty in June 2004, LIU was the Chief Financial Officer of Guild, which sponsored an employee benefit plan known as the Guild Concepts, Ltd. Employee Savings Plan ("the Plan"), an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"). LIU was one of two trustees of the Plan, according to the terms of its Adoption

Agreement. As a Plan trustee, LIU had control over the assets of the Plan.

According to the Information, LIU was the officer at Guild with primary responsibility for remitting participant contributions from Guild to the Plan. Pursuant to the Plan's Adoption Agreement, Plan participants may elect to contribute a portion of their earnings toward the Plan.

As alleged in the Information, and as LIU admitted at his guilty plea, on multiple occasions during the period from on or about January 1, 1998 through on or about December 31, 2003, LIU knowingly failed to contribute to the Plan, on behalf of Guild, the amounts elected for contribution by Plan participants. LIU failed to contribute a total of approximately \$351,040.03 during the above-noted period.

On multiple occasions from on or about February 27, 2003 through on or about December 2, 2003, LIU caused various sums of money, cumulatively totaling approximately \$996,207.20, to be withdrawn from the Plan. According to the Information, none of those redemptions was either authorized by Plan participants or withdrawn for their benefit.

Finally, the Information also charged, and LIU also admitted, that in or about January 2004, LIU issued valuation statements to Plan participants for the quarter ending December 31, 2003, that failed to disclose that the Plan was underfunded due to LIU's failure to make contributions and his unlawful withdrawals, as described above.

Mr. KELLEY praised the investigative efforts of the United States Department of Labor, Employee Benefits Security Administration, in connection with this case.

Assistant United States Attorney JEFFREY A. UDELL is in charge of the prosecution.

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